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12 PACIFIC GAS AND ELECTRIC COMPANY

13 UNITED STATES BANKRUPTCY COURT
14 NORTHERN DISTRICT OF CALIFORNIA
15 SAN FRANCISCO DIVISION

16 In re

17 PACIFIC GAS AND ELECTRIC
18 COMPANY, a California corporation,

19 Debtor.

20 Federal I.D. No. 94-0742640

21 Case No. 01-30923 DM

22 Chapter 11 Case

23 Date: November 14, 2002

24 Time: 9:30 a.m.

25 Place: 235 Pine Street, 22nd Floor
26 San Francisco, California

27 Judge: Hon. Dennis Montali

28 DECLARATION OF ROCCO COLICCHIA IN SUPPORT OF
MOTION FOR ORDER AUTHORIZING DEBTOR TO PAY REFUNDS
TO CUSTOMERS FOR TARIFF RULE 20-B POLE REMOVAL COSTS

29 *Atty: Add: Kids Ogden Mart Center*

1 I, Rocco Colicchia, declare as follows:

2 1. I am currently employed as a Senior Program Manager for Pacific Gas and
3 Electric Company ("PG&E" or "Debtor"). I have been employed by PG&E for
4 approximately 21 years and have been in my current position for approximately 4 years. I
5 make this Declaration in support of PG&E's Motion For Order Authorizing Debtor to Pay
6 Refunds to Customers For Tariff Rule 20-B Pole Removal Costs ("Motion").

7 2. My duties currently include coordinating and supervising the Work
8 Requested by Others Program ("WRO Program") under which California Public Utilities
9 Commission ("CPUC") Tariff Rule 20—Replacement of Overhead With Underground
10 Electric Facilities ("Rule 20") work is performed. Specifically, I am responsible for
11 planning the funding for the WRO Program, allocating Rule 20 budget dollars to various
12 divisions, tracking unit costs and working with various project managers on Rule 20
13 interpretations. I make this Declaration based upon my personal knowledge of the WRO
14 Program and, specifically, PG&E's work done under Rule 20-B, my familiarity with the
15 CPUC's March 6, 2002 Resolution E-3757 (the "March 6 Resolution"), as modified by the
16 June 6, 2002 Order Modifying Resolution E-3757 And Denying Rehearing Of The
17 Resolution As Modified (collectively, the "Resolution"),¹ and upon my review of PG&E's
18 records concerning the matters stated herein. If called as a witness, I could and would testify
19 competently to the facts stated herein.

20 3. An ongoing PG&E project is the conversion of electric service from
21 overhead to underground facilities. This involves removing old overhead facilities,
22 including poles, wires, transformers, and switches and installing new underground electric
23 service facilities. PG&E replaces its existing overhead electric facilities with underground
24 electric facilities in accordance with the provisions of Rule 20.² Rule 20 is comprised of
25 three subsections. As such, PG&E has three different undergrounding programs that
26

27 ¹Attached hereto as Exhibit A is a true and correct copy of the Resolution.

28 ²Attached hereto as Exhibit B is a true and correct copy of Rule 20.

1 correspond to each subsection. All three programs are managed within PG&E's WRO
2 Program.

3 4. The subsection under which the CPUC has ordered PG&E to refund
4 customers for pole removal costs is Rule 20-B. Under the provisions of Rule 20-B, PG&E
5 will replace its existing overhead electric facilities with underground electric facilities along
6 public streets and roads or other locations mutually agreed upon when requested by an
7 applicant or applicants if a number of conditions are met. Among these Rule 20-B
8 conditions, applicants must agree to transfer ownership of facilities installed by the applicant
9 such as pads, vaults, conduits, and substructures, in good condition, to PG&E and must pay
10 a nonrefundable sum equal to the excess, if any, of the estimated costs of completing the
11 underground system and building a new equivalent overhead system. An additional Rule
12 20-B condition is that the area to be undergrounded must include both sides of a street for at
13 least one block or 600 feet, whichever is the lesser, and all existing overhead communication
14 and electric distribution within the area must be removed.³

15 5. From 1968 to approximately 1995, PG&E paid for the costs of removing
16 the overhead facilities, including the poles. Beginning in approximately 1995, PG&E
17 reviewed Rule 20-B and determined that the Rule authorized PG&E to charge customers
18 these pole removal costs when converting to underground electric services. Accordingly, at
19 that time, PG&E began charging customers for these costs.

20 6. Once the CPUC issued its March 6, 2002 Resolution, PG&E stopped
21 charging customers for the costs of removing the poles. Pursuant to the Resolution, PG&E
22 has been ordered to identify and return all charges for pole, line, and equipment removal
23 from customers requesting undergrounding of overhead electric service to such customers.⁴

24
25 ³Under Rule 20-A, PG&E charges ratepayers for the undergrounding of electric
26 facilities where such undergrounding has been determined to be in the general public
27 interest. For example, ratepayers fund undergrounding under Rule 20-A if it is determined
28 that the street or road or right-of-way is extensively used by the general public and carries a
heavy volume of pedestrian or vehicular traffic. Rule 20-C provides for undergrounding of
electric facilities in those areas to which Rule 20-A or 20-B does not apply.

⁴The Resolution orders all such charges to be refunded with interest within 180 days
of the effective date of the Resolution (March 6, 2002). I am informed and believe that

1 See Resolution at 10. As such, I have supervised the gathering of this information and
2 compiled a list of all the customers who were charged prior to PG&E's petition date for pole
3 removal costs under Rule 20-B.⁵ The list includes the names of all the customers who
4 PG&E has been able to identify as being owed a Rule 20-B refund, the date that PG&E
5 received payment, the payment amount, the interest on the payment amount based on the
6 commercial paper rate and the total refund amount. I compiled this list by reviewing the
7 annual Rule 20-B reports that are provided to the CPUC, searching within PG&E's
8 accounting system and requesting operating divisions to provide any further information.
9 Furthermore, I worked with the accounting department to calculate the interest due. The
10 interest payments are based on the commercial paper rate⁶ and began accruing on the date
11 PG&E received payment from the customers and has been calculated through to September
12 30, 2002.

13 7. According to my calculations, PG&E currently owes 230 refunds for Tariff
14 Rule 20-B pole removal costs from 1995 to April 6, 2001, totaling \$3,509,644.13 (including
15 interest pursuant to the Resolution).⁷ PG&E also owes 52 refunds with respect to the post-
16 petition period, i.e. from the petition date until immediately after the Resolution when PG&E
17 stopped charging customers for pole removal costs. The amount PG&E owes for post-
18 petition pole removal refunds is \$700,169.05, and PG&E intends to refund this amount to
19 customers in the ordinary course of business.

20 I declare under penalty of perjury under the laws of the United States of America
21

22 PG&E sought and obtained an extension on the CPUC payment date until January 2, 2003.

23 ⁵Attached hereto as Exhibit C is a list of all customers who PG&E believes are owed
24 a pre-petition Rule 20-B refund. The Exhibit sets forth, in alphabetical order, the customer
25 name, the order number, the payment amount, the interest on the payment amount based on
26 the commercial paper rate, the total refund amount that PG&E believes is owed to such
27 customers, and the date that PG&E received payment from each customer.

28 ⁶For the relevant period, the commercial paper rate has varied from a low of 1.7% to a
high of 6.57%.

⁷Some of the refund recipients have filed claims and others have not. For
administrative ease and in order to resolve the refund issue entirely and comply fully with
the CPUC Resolution, PG&E has made no distinction between those refund recipients who
have filed claims and those who have not.

1 that the foregoing is true and correct. Executed this 21st day of October, 2002, at
2 San Francisco, California.

3 By: 
4 ROCCO COLICCHIA

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HOWARD
RICE
NEMEROVSKI
CANADY
PAIK
& RAEBIN
A Professional Corporation

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-3757

MARCH 6, 2002

R E S O L U T I O N

Tariff Rule 20-B Issues: (1) Utility Advice Letters Are Denied; (2) Underground Conversion Allocation Shall Pay For The Removal Costs Of The Existing Facilities In An Overhead Electric Line To Underground Electric Line Conversion Project; (3) Customer Payments To Utilities For Removal Of Poles And Facilities Shall Be Returned To Customers With Interest.

By Southern California Edison Company (Edison) Advice Letter 1539-E filed April 30, 2001, Pacific Gas & Electric Company (PG&E) Advice Letter 2134-E filed July 10, 2001, and San Diego Gas & Electric Company (SDG&E) Advice Letter 1354-E filed August 1, 2001.

SUMMARY

This Resolution: (1) denies authority requested by electric utilities Edison, PG&E, and SDG&E to have applicants for Tariff Rule 20-B undergrounding projects pay for removal of poles and facilities; (2) orders electric utilities to charge pole removal costs to their underground conversion program budgeted allocations; and (3) orders utilities to identify and repay applicants all such charges with interest to date.

BACKGROUND

Edison filed its Advice Letter 1539-E on April 30, 2001. The revised tariff sheets would require customers who request and receive undergrounding of overhead electric service under its Tariff Rule 20-B to pay separately for removing old overhead facilities including poles, wires, transformers, and switches. For reasons similar to Edison's, PG&E filed A.L. 2134-E on July 10, 2001, and SDG&E filed A.L. 1354-E, on August 1, 2001.

From 1968 to 1997, PG&E and SDG&E had paid for the removal of overhead poles and facilities using their Tariff Rule 20-B underground conversion budgeted allocations, and Edison did so until 1999.

In the last several years all three utilities changed internal policies and required applicants to pay for the removal of the poles and facilities. The utilities contend that the removal of poles and facilities represents from 5% to 20% of the total cost of conversion.

The utilities changed these policies without Commission authority; however, in a complaint case last year, the Commission directed Edison in Decision 01-03-051, to refund to Barratt American the \$33,700 Barratt paid Edison to remove poles and facilities.

The instant advice letters request treatment opposite to the Barratt decision; namely to formalize utility charges for facilities removal in Rule 20-B conversions.

NOTICE

Notice of Edison's Advice Letter 1539-E, PG&E's Advice Letter 2134-E, and SDG&E's Advice Letter 1354-E was made by publication in the Commission's Daily Calendar on May 2, 2001, July 13, 2001, and August 3, 2001, respectively. Edison, PG&E, and SDG&E state that a copy of the Advice Letter was mailed and distributed in accordance with Section III-G of General Order 96-A.

PROTESTS

Edison's Advice Letter 1539-E, PG&E's Advice Letter 2134-E, and SDG&E's Advice Letter 1354-E were all protested.

With respect to Edison's AL 1539-E:

On May 16, 2001, G. A. Krause & Associates (Krause) filed a timely protest in Edison's advice letter. The protest was that this letter would discourage usage of underground conversion in Edison's Tariff Rule 20-B.

On May 18, 2001, the California Building Industry Association (CBIA) made a timely protest of Edison's advice letter. CBIA stated in their letter that the advice letter shifts more financial responsibility for electric underground conversions to applicants, which discourages discretionary electric utility facility undergrounding and increases project costs where undergrounding is required by local government for new development.

On May 22, 2001, Utility Design, Inc protested Edison's advice letter with an untimely protest based on inappropriate use of an advice letter filing instead of bringing the matter to public hearing and decision-making processes. It notes that Commission Decision 01-03-051 found that Edison violated Tariff Rule 20-B by charging for pole removal and facilities removal costs without prior Commission approval and that because of that decision, SCE must stop charging applicants.

On May 23, 2001, Edison replied to the protest comments by Krause. *"SCE believes that it is appropriate to charge these pole removal costs to the applicant/property owners who have requested and received the benefit of the underground facilities, rather than to impose the costs on the general ratepayers, including those who receive no underground service at all. Krause also states in its protest that SCE is now requiring Rule 20-B applicants to bear the cost of cable removal. This is a fallacy since in overhead conversions there is no cable involved."*

On May 25, 2001, Krause filed a response to SCE's protest response of May 23, 2001. In that response, it stated, *"...In D. 73078, the Commission ordered the utilities to implement a uniform Rule 20, the purpose being to encourage the relocation of electric and telephone facilities underground. In accordance with the Commission's order, SCE, PG&E and SDG&E implemented uniform policies – but also included removal costs. And it was only very recently that the three utilities stumbled on a new interpretation that raised applicant's costs and decreased the number of conversion projects. Basic economics dictate that raising the cost of a desired action decreases the action. Unless the Commission no longer believes conversions are in the public's interest, the advice filing should be denied."*

On May 31, 2001, Edison filed a response to the May 22, 2001 protest of Utility Design, Inc. to SCE's Advice Letter 1539-E. SCE states, *"...Advice Letter 1539-E is not an attempt to avoid the Rule 20 Order Instituting Rule making (R.00-01-005) dated January 6, 2000. SCE had instituted the practice of charging applicants for removal of existing overhead facilities in advance of the R.00-01-005 proceeding. This practice did not become an issue until Case 00-07-054 was filed with the Commission and resulted in D. 01-03-051 dated March 27, 2001. SCE agrees that the R.00-01-005 proceeding is the proper forum for parties such as UDI to raise any opposition to SCE's application of Rule 20 provisions, which already include charging applicants for removal of existing overhead facilities. In Advice Letter 1539-E, SCE is merely adding clarifying tariff language regarding the practice of charging applicants for removal of existing overhead facilities pursuant to the above statement in D.01-03-051."*

On June 5, 2001, Edison filed a reply to Krause's response of May 25, 2001. SCE states, *"When the utilities discovered that Rule 20-B was being applied incorrectly, they changed their practices. As (Commission) D. 01-03-051 points out, SCE should have filed an advice letter before doing so. As recommended by the Commission in that Decision, SCE filed Advice Letter 1539-E to make its practice of charging pole removal costs clear and known to both the Commission and potential applicants."*

On August 30, 2001, John T. Nunes, Jr. filed an untimely protest to Edison's advice letter. This protest alleges Edison's charges to the assessment districts for removing overhead

facilities in its administration of Tariff Rule 20-B were improper and jeopardize survival of Edison's Rule 20-B program.

On September 10, 2001, Edison filed a response to the protest of Nunes and Associates, stating that it believes it is appropriate to charge pole removal costs to the applicant, rather than to impose these costs on the general body of ratepayers.

With respect to PG&E's AL 2134-E:

Pacific Gas and Electric Company filed Advice Letter 2134-E on July 10, 2001.

On July 25, 2001, Utility Design, Inc. protested PG&E's A.L. 2134-E *"... because it is an inappropriate vehicle with which to make the changes sought by PG&E. PG&E is obviously trying to circumvent the Commission's hearing and decision-making processes through this filing."*

On July 30, 2001, James D. Squeri of Goodin, MacBride, Squeri, Ritchie & Day, LLP, on behalf of the California Building Industry Association stated that CBIA *"...protests Advice Letter 2134-E since it (1) increases project costs where underground is required by local government for new development, and (2) shifts more financial responsibility for electric underground conversions to applicants which discourages discretionary electric utility facility undergrounding." ... "Most, if not all cities and counties require undergrounding existing overhead lines as a condition for new development. This benefits the development and those using adjacent streets or living in the adjacent areas. The added cost, including additional CIAC Tax, proposed by PG&E will increase the cost of new housing and business development." ... "...Rule 20-B was discussed in R.00-01-005 workshops as PG&E's option for applicants and customers that desired undergrounding when Rule 20A allocations were inadequate or unavailable. This change would add more costs, including additional CIAC Tax, to the already expensive Rule 20-B jobs, and will kill many proposed discretionary undergrounding projects, including assessment districts, that are desired by most, if not all, policymakers in California."*

On August 1, 2001, PG&E filed its Response to Protest from Utility Design, Inc. of Advice Letter 2134-E, stating that *"PG&E disagrees with Utility Design, Inc that the Commission's R.00-01-005 is the appropriate venue for the review of the Rule 20-B clarifications being requested."*

Further, on August 7, 2001, in its Response to Protest from the California Building Industry Association, PG&E states that *"...PG&E's addition of new language to Rule 20, section B.2.c., clarifies that the cost of converting overhead lines to underground includes the cost to remove the existing overhead system. Customers who request and receive undergrounding of electric service facilities, for whatever reason, under the provisions of Rule 20.B must pay the resulting costs for the existing overhead facilities..."*

With respect to SDG&E's AL 1354-E:

San Diego Gas & Electric Company filed Advice Letter 1354-E on August 1, 2001, to clarify its Tariff Rule 20-B explaining that applicants are paying the cost for removal of facilities and poles.

On August 21, 2001, Goodin, MacBride, Squeri, Ritchie & Day, LLP, CBIA filed an untimely protest of SDG&E Advice Letter 1354-E repeating much of the language in its July 30, 2001 protest to the PG&E Advice Letter, and concluding, *"SDG&E should either file an application seeking the requested authority or seek to move these issues to an existing rulemaking, e.g. R.00-01-005, if it wishes to pursue a change in Rule 20. It will be properly served on the parties interested in the underground issues and subject to the appropriate analysis, hearings, findings and a decision based on a factual record."*

On August 29, 2001, SDG&E filed a response to the August 21, 2001 California Building Industry Association's (CBIA) protest to A.L. 1354-E: *"In protesting SDG&E's advice letter, CBIA's motive is clear- to shift costs, which its members (many of whom are large, well-financed developers) would otherwise be responsible for, to SDG&E's other customers (most of whom are residential customers). The Commission should reject CBIA's transparent attempt to avoid cost responsibility, and approve SDG&E's Advice Letter 1354-E as filed."*

DISCUSSION

The costs for pole removal were assumed by the utilities under Commission Decision 73078, effective January 1968, and their application of Tariff Rule 20-B was unchanged in this respect for approximately 30 years. The utilities then changed their application of Tariff Rule 20-B without Commission authority, and now base their new applications of Rule 20-B on their new interpretation of the following language appearing in PG&E's typical current Rule 20:

- B. In circumstances other than those covered by A above, PG&E will replace its existing overhead electric facilities with underground electric facilities along public streets and roads or other locations mutually agreed upon when requested by an applicant or applicants when all of the following conditions are met:
 - 1. a. All ...
 - 2. The applicant has:
 - a. Furnished ...
 - b. Transferred ...

- c. Paid a nonrefundable sum equal to the excess, if any, of the estimated costs, of completing the underground system and building a new equivalent overhead system.
3. The area to be undergrounded includes both sides of a street for at least one block or 600 feet, whichever is the lesser, and all existing overhead communication and electric distribution facilities within the area will be removed.

Between 1997 and 1999, based on the tariff language above taken from D.73078, Appendix D, utilities decided Rule 20-B applicants should start bearing the costs of removals when converting to underground electric service

The utilities also state that their new interpretation is consistent with conclusions in Commission Decision 94-12-026, effective July 1995. In that decision the Commission moved some of the costs of line extensions in new construction to the applicant for new service and away from all ratepayers. However, overhead line conversion of existing facilities to underground is not new construction and the Commission did not consider this issue or rule on it in D. 94-12-026.

The utilities further state in their advice letter discussions, that their interpretation of Rule 20-B appears valid according to recent Commission Decision 01-03-051, Barratt American, Inc, Complainant vs. Southern California Edison Company, Defendant, dated March 27, 2001. Here also, the utility rationale is not persuasive, because the Commission states in the Summary to that Decision:

“If a utility for 30 years interprets its tariff to give a substantial credit to customers for conversion from overhead to underground facilities, may the utility without the approval of this Commission reinterpret its tariff to take that credit away? On the facts and circumstances of this case, we (the Commission) determine that the answer is no.”

That decision finds that SCE's Tariff Rule 20 governs the undergrounding work at issue, and that SCE did not seek Commission approval for its change in practice regarding pole removal costs. It concludes that G.O. 96-A requires prior Commission approval of any change in a condition or classification resulting in a more restrictive condition or an increase in a tariff schedule, and that Barratt American has established a *prima facie* violation by SCE of G.O. 96-A, and it orders a refund of \$33,700 to Barratt American.

While the Commission, in Barratt American, did direct the utilities to file and serve advice letters on this issue, the Commission is not bound to grant the request in return for their compliance with process. In fact, nothing the utilities have provided in these advice letters causes us to reconsider our Barratt American Decision D.01-03-051. The conversion process for Rule 20-B would be impeded by this extra charge. D. 73078

encourages the conversion program to be stimulated by tariff language that would not place all burden on the applicants.

The League of California Cities, and members of the cities and counties attending ED-sponsored workshops and subsequent public participation hearings regarding undergrounding policies, in OIR 00-01-005, all provided testimony that requiring a separate charge for facilities removal would reinterpret the tariff and utility policy in effect from 1968 to 1997. Discussion during the workshops called for more help in encouraging and stimulating the conversion process. Passing additional costs on to the applicants, as the utilities propose, would discourage underground conversion.

As was found and ordered in D. 01-03-051, PG&E, Edison, and SDG&E should now not only cease current practices, but also identify and refund with interest all charges collected for pole, line, and facilities removal costs.

The PG&E, Edison, and SDG&E advice letters should be denied.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments on February 6, 2002. Comments were due on February 19, 2002; reply comments on March 1, 2002.

Comments were filed by PG&E, SCE, SDG&E, and TURN on February 19, 2002, opposing the draft resolution. Additional comments and one reply comments were received supporting the draft resolution.

The directions contained in the request for comments on the draft resolution state, *"Comments shall focus on factual, legal or technical errors in the proposed draft Resolution. Comments that merely reargue positions taken in the advice letter or protests will be accorded no weight and are not to be submitted. Replies to comments ... shall be limited to identifying misrepresentations of law or fact contained in the comments of other parties."*

Except for comments and a subsequent reply to comments filed by Mr. John Nunes Jr., filed on February 15, 2002, and February 27, 2002, respectively, all other comments

reargue positions previously stated and are accorded no weight, except as acknowledged in the following paragraphs.

PG&E reiterated its arguments that this resolution would shift the costs from Rule 20-B to the general ratepayers and typically benefit private developers who would receive windfall profits. Additionally, PG&E argues that this resolution would not encourage undergrounding, because the number of Rule 20-B projects is proportional only to the number of subdivision map applications by developers rather than to the addition of a ratepayer subsidy for pole removal.

SCE also repeated its arguments that this resolution would result in a subsidy by all ratepayers to private developers. They also state that should the Commission require the utilities to absorb pole removal costs, it should apply only with prospective effect, and should not order refunds of past pole removal costs.

SDG&E commented that this resolution is poor public policy, because it would benefit only large developers who are trying to shift pole removal costs to the general ratepayer. They state it would not encourage growth in undergrounding, but would result in a windfall to developers. They feel ordering refunds is inappropriate because it is barred by the three-year statute of limitations on claims relating to improper utility charges. If refunds are ordered, SDG&E requests 180 days in order to comply because they state it will be an extensive manual effort to identify and locate customers charged for pole removal since July 1995. As an alternative to this resolution, they propose the Commission consider the policy issue of appropriate cost allocation for pole removal costs to be folded into Phase 2 of the Undergrounding Rulemaking Proceeding (R.00-01-005).

All three utilities commented that if refunds are ordered, interest should be paid at the commercial paper rate, which is consistent with their tariff rate for interest on return of deposits. The Commission agrees with this recommendation.

TURN opposes the draft resolution because they claim it would alter the existing allocation of cost responsibility for Rule 20-B underground conversions, and inappropriately burden the general body of ratepayers for pole removal costs. They feel it would be harmful to the general ratepayers to make pole removal costs a utility responsibility rather than requiring applicants bear the costs.

John Nunes Jr. and Associates filed comments on February 15, 2002. Mr. Nunes Jr. requests the Commission to examine all of the charges added to Rule 20-B by the utilities Advice Letters, and to determine that it was appropriate to include the cost of the transformers, meters, and services as part of the applicant's responsibility. The Commission finds that the cost for removal of poles, lines, and facilities, which include

transformers and meters, is addressed by this resolution. In fact, in its comment letter, TURN acknowledged that, *"While new underground extensions do not normally involve equipment removal, most underground conversions, by definition, require the removal of existing poles and other equipment (i.e., transformer, conductor, and equipment removal, meter replacement, etc.)."*

On February 22, 2002, James Squeri of Goodin, MacBride, Squeri, Rithie & Day filed comments on behalf of the CBIA on the draft resolution. It states, *"CBIA fully supports the Draft Resolution's rejection of PG&E's, Edison's, and SDG&E's advice letter and the requirement that the utilities refund, with interest, all costs for pole removal that were improperly collected from Rule 20B undergrounding applicants. Other issues, including the propriety of the policy which imposes pole removal costs on the utilities and the proper accounting for utility-incurred pole removal costs, should be reserved for consideration in the context of Phase 2 of the Undergrounding Rulemaking Proceeding (R. 00-01-005)."*

On February 27, 2002, Mr. Nunes Jr. filed additional comments in support of the draft resolution. He recommended the Commission adopt the resolution as prepared.

FINDINGS

1. This Commission Resolution denies giving authority to the three major public utilities to order customers to pay for the costs of removing overhead facilities in a Tariff Rule 20-B conversion project.
2. This Commission finds that Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company should file advice letters within one month of the effective date of this Order ordering that the underground conversion allocation pay for the cost of the removal of overhead facilities as ordered in Tariff Rule 20-B.
3. This Commission Resolution finds that Pacific Gas and Electric Company, Southern California Edison Company, and San Diego & Electric Company shall identify and refund to all of their customers with interest all monies paid for the removal of overhead poles, lines, and facilities in order to encourage growth in undergrounding the conversion of utility facilities.

THEREFORE IT IS ORDERED THAT:

1. The requests of Pacific Gas and Electric Company (Advice Letter 2134-E, filed April 30, 2001), Southern California Edison Company (Advice Letter 1539-E filed April 30, 2001), and San Diego Gas & Electric Company (Advice Letter 1354-E filed August 1, 2001) are all denied.
2. These aforementioned utilities should file advice letters that propose to add language to their Rule 20-B tariffs, to indicate that the costs of removal of the overhead poles, lines, and facilities are the responsibility of the utility and will be paid by the utility from the underground conversion allocation.
3. All charges for pole, line, and equipment removal from customers requesting undergrounding of overhead electric service shall be identified and returned to such customers with interest within 180 days of the effective date of this Resolution. The interest payments should be based on the commercial paper rate, and should begin from the time the customers affected by Tariff Rule 20-B service started paying for the removal of overhead poles, lines and facilities.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on March 6, 2002; the following Commissioners voting favorably thereon:

WESLEY M. FRANKLIN
Executive Director

LORETTA M. LYNCH
President

HENRY M. DUQUE

RICHARD A. BILAS

CARL W. WOOD

GEOFFREY F. BROWN
Commissioners

L/ham

MAILED 6/10/02

Decision 02-06-027

June 6, 2002

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the County of Los
Angeles for Rehearing of Resolution
E-3757

A.02-04-002
(Filed April 10, 2002)

Page 1	Date 7/18/02	# of pages 4
Fax Note 916933	To Patty Beck	
From Gary Krause		
Phone#		

**ORDER MODIFYING RESOLUTION E-3757 AND DENYING
REHEARING OF THE RESOLUTION AS MODIFIED**

I. SUMMARY

By this order, we modify Resolution E-3757 (the Resolution) and deny rehearing of the Resolution as modified. On April 30, 2001, Southern California Edison Company (Edison) filed Advice Letter 1539-E, Pacific Gas and Electric Company (PG&E) filed Advice Letter 2134-E on July 10, 2001, and San Diego Gas and Electric Company (SDG&E) filed Advice Letter 1354-E on August 1, 2001. These Advice Letters requested that customers who request and receive undergrounding of overhead electric service under Tariff Rule 20-B to pay separately for removing old overhead facilities including poles, wires, transformers, and switches. From 1968 to 1995 for PG&E and SDG&E and 1999 for Edison, the utilities had paid for the removal of overhead poles and facilities. However, in the last several years, all three utilities have changed their internal policies and required applicants to pay for the removal of the poles and facilities. These changes were made without prior Commission authority. However, in Decision 01-03-051, we ordered Edison to refund to Barratt American \$33,700 that

Exhibit A

A.02-04-002

L/ham

Barratt had paid to Edison to remove poles and facilities pursuant to that company's revised payment procedures.

The Advice Letters jointly requested treatment opposite to the Barratt decision, namely to authorize utility charges for facilities removal in Rule 20-B conversions. In the Resolution, we denied the authority requested by the utilities to have applicants for Tariff Rule 20-B undergrounding projects pay for removal of poles and facilities and ordered the utilities to charge pole removal costs to their underground conversion allocations, and further ordered the utilities to identify and repay previous applicants for all such charges with interest to-date.

II. DISCUSSION

In its Application for Rehearing of the Resolution, the County of Los Angeles (the County) seeks rehearing only of the Commission's holding that the costs for removal of overhead facilities should be charged to the utilities' underground conversion program budgeted allocations. The County's argument is that since the only existing undergrounding allocations pertain exclusively to Rule 20-A conversions, the impact of the Resolution is to require that Rule 20-A allocations will pay for Rule 20-B projects. The County argues that this result is arbitrary and capricious since it changes established policy and practice under Rule 20-A without any stated basis for doing so and without notice to the parties that such was contemplated.

Local governments use Rule 20-A for underground conversion of electric facilities along public streets and roads; other conversions, including those by private developers are governed by Rule 20-B. However, as Applicants point out, the only existing undergrounding allocation funds relate exclusively to Rule 20-A projects. There are no funds allocated to Rule 20-B undergrounding projects. As the County argues, the Resolution could be interpreted, although incorrectly, to require Rule 20-A allocations to pay for Rule 20-B projects (Application, page 1.) In fact, this is the way both Edison and PG&E have interpreted the Resolution in their Advice Letters 2217-E and 1610-E, respectively, filed April 5, 2002. In contrast, SDG&E, in its Advice Letter 1399-E, filed

A.02-04-002

L/ham

April 5, 2002, clearly understood the intent of the Resolution, stating that the removal of all overhead facilities shall be completed by the utility at its expense.

It was our intent in the Resolution that the three electric utilities should revert to the same number of accounting for undergrounding projects that they had used prior to 1995 for PG&E and SDG&E and 1999 for Edison, when they sought to change their practices by requiring the applicants to pay for pole and facility removal costs. It was certainly not our intent to change the previous methodology in a way that would reduce Rule 20-A allocations. We will therefore modify the Resolution accordingly.

THEREFORE IT IS ORDERED that:

1. Resolution E-3757 is modified as follows:

At page 10 of the Resolution, Finding 2 should be modified as follows:

Replace the words "underground conversion allocation" with the word "utility." Add the sentence "However, such costs shall not operate to reduce Rule 20-A allocations."

At page 11, Ordering Paragraph 2, should be modified as follows:

The phrase "from the underground conversion allocation" should be deleted. Add the sentence, "However, such payment shall not operate to reduce Rule to subsidize rule 20-A allocations."

2. Rehearing of Resolution E-3757 as modified is denied.
3. This proceeding is closed.

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A.02-04-002

L/ham

This order is effective today.

Dated June 6, 2002, at San Francisco, California.

LORETTA M. LYNCH
President
HENRY DUQUE
CARL W. WOOD
GEOFFREY F. BROWN
MICHAEL R. PEEVEY
Commissioners



RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES

(L)

- A. PG&E will, at its expense, replace its existing overhead electric facilities with underground electric facilities along public streets and roads, and on public lands and private property across which rights-of-ways satisfactory to PG&E have been obtained by PG&E, provided that:
1. The governing body of the city or county in which such electric facilities are and will be located has:
 - a. Determined, after consultation with PG&E and after holding public hearings on the subject, that such undergrounding is in the general public interest for one or more of the following reasons:
 - 1) Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities;
 - 2) The street or road or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic; and
 - 3) The street or road or right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public.
 - b. Adopted an ordinance creating an underground district in the area in which both the existing and new facilities are and will be located requiring, among other things, (1) that all existing overhead communication and electric distribution facilities in such district shall be removed, (2) that each property served from such electric overhead facilities shall have installed in accordance with PG&E's rules for underground service, all electrical facility changes on the premises necessary to receive service from the underground facilities of PG&E as soon as it is available, and (3) authorizing PG&E to discontinue its overhead service.

(L)

(D)

(D)

(Continued)



Pacific Gas and Electric Company
San Francisco, California

Cancelling

Original

Cal. P.U.C. Sheet No.
Cal. P.U.C. Sheet No.

11240-E

RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES
(Continued)

A. (Cont'd.)

2. PG&E's total annual budgeted amount for undergrounding within any city or the unincorporated area of any county shall be allocated as follows: (N)
- a. The amount allocated to each city and county in 1990 shall be the highest of:
- 1) The amount allocated to the city or county in 1989, which amount shall be allocated in the same ratio that the number of overhead meters in such city or unincorporated area of any county bears to the total system overhead meters; or
 - 2) The amount the city or county would receive if PG&E's total annual budgeted amount for undergrounding provided in 1989 were allocated in the same ratio that the number of overhead meters in each city or the unincorporated area of each county bears to the total system overhead meters based on the latest count of overhead meters available prior to establishing the 1990 allocations; or
 - 3) The amount the city or county would receive if PG&E's total annual budgeted amount for undergrounding provided in 1989 were allocated as follows:
- a) Fifty percent of the budgeted amount allocated in the same ratio that the number of overhead meters in any city or the unincorporated area of any county bears to the total system overhead meters; and
 - b) Fifty percent of the budgeted amount allocated in the same ratio that the total number of meters in any city or the unincorporated area of any county bears to the total system meters. (N)

(Continued)

Advice Letter No. 1300-E
Decision No. 90-05-032

Issued by
Gordon R. Smith
Vice President and
Chief Financial Officer

Date Filed June 7, 1990
Effective July 17, 1990
Resolution No.

22110



Pacific Gas and Electric Company
San Francisco, California

Cancelling

Original

Cal. P.U.C. Sheet No.
Cal. P.U.C. Sheet No.

11241-E

RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES
(Continued)

A. (Cont'd.)

2. (Cont'd.)

b. Except as provided in Section 2.c., the amount allocated for undergrounding within any city or the unincorporated area of any county in 1991 and later years shall use the amount actually allocated to the city or county in 1990 as the base, and any changes from the 1990 level in PG&E's total annual budgeted amount for undergrounding shall be allocated to individual cities and counties as follows:

(N)

- 1) Fifty percent of the change from the 1990 total budgeted amount shall be allocated in the same ratio that the number of overhead meters in any city or unincorporated area of any county bears to the total system overhead meters; and
- 2) Fifty percent of the change from the 1990 total budgeted amount shall be allocated in the same ratio that the total number of meters in any city or the unincorporated area of any county bears to the total system meters.

c. When a city incorporates, resulting in a transfer of utility meters from the unincorporated area of a county to the city, there shall be a permanent transfer of a prorata portion of the county's 1990 allocation base referred to in Section 2.b. to the city. The amount transferred shall be determined:

- 1) Fifty percent based on the ratio that the number of overhead meters in the city bears to the total system overhead meters; and
- 2) Fifty percent based on the ratio that the total number of meters in the city bears to the total system meters.

When territory is annexed to an existing city, it shall be the responsibility of the city and county affected, in consultation with the Utility serving the territory, to agree upon an amount of the 1990 allocation base that will be transferred from the county to the city, and thereafter to jointly notify PG&E in writing.

(N)

(Continued)

Advice Letter No. 1300-E
Decision No. 80-05-032

Issued by
Gordon R. Smith
Vice President
Finance and Rates

Date Filed June 7, 1990
Effective July 17, 1990
Resolution No.

22111



Pacific Gas and Electric Company
San Francisco, California

Cancelling

Revised
Revised

Cal. P.U.C. Sheet No.
Cal. P.U.C. Sheet No.

16664-E
11242-E

RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES
(Continued)

A. (Cont'd.)

2. (Cont'd.)

- d. However, Section 2 a, b, and c shall not apply to PG&E where the total amount available for allocation under Rule 20-A is equal to or greater than 1.5 times the previous year's statewide average on a per customer basis. In such cases, PG&E's total annual budgeted amount for undergrounding within any city or the unincorporated area of any county shall be allocated in the same ratio that the number of overhead meters in the city or unincorporated area of any county bears to the total system overhead meters.
- e. The amounts allocated in accordance with Section 2 a, b, c, or d may be exceeded where PG&E establishes that additional participation on a project is warranted. Such allocated amounts may be carried over for a reasonable period of time in communities with active undergrounding programs. In order to qualify as a community with an active undergrounding program the governing body must have adopted an ordinance or ordinances creating an underground district and/or districts as set forth in Section A.1.b. of this Rule. Where there is a carry-over, PG&E has the right to set, as determined by its capability, reasonable limits on the rate of performance of the work to be financed by the funds carried over. When amounts are not expended or carried over for the community to which they are initially allocated they shall be assigned when additional participation on a project is warranted or be reallocated to communities with active undergrounding programs.

(L)

(Continued)

Advice Letter No. 1930-E
Decision No.

41301

Issued by
DeAnn Hapner
Vice President
Regulatory Relations

Date Filed October 28, 1989
Effective December 7, 1989
Resolution No. _____



Pacific Gas and Electric Company
San Francisco, California

Cancelling

Original
Revised

Cal. P.U.C. Sheet No.
Cal. P.U.C. Sheet No.

16665-E
11242-E

RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES
(Continued)

A. (Cont'd.)

3. The undergrounding extends for a minimum distance of one block or 600 feet, whichever is the lesser. (L)

Upon request of the governing body, PG&E will pay from the existing allocation of that entity for: (T)
(T)

- a. The installation of no more than 100 feet of each customer's underground electric service lateral occasioned by the undergrounding. (T)
(L)

- b. The conversion of electric service panels to accept underground service, up to \$1,500 per service entrance, excluding permit fees. (N)
(N)

The governing body may establish a smaller footage allowance, or may limit the amount of money to be expended on a single customer's electric service, or the total amount to be expended on all electric service installations in a particular project. (L)
(L)

(Continued)

Advice Letter No. 1930-E
Decision No.

41302

Issued by
DeAnn Hapnar
Vice President
Regulatory Relations

Date Filed October 28, 1999
Effective December 7, 1999
Resolution No. _____



Pacific Gas and Electric Company
San Francisco, California

Cancelling

Revised
Revised

Cal. P.U.C. Sheet No.
Cal. P.U.C. Sheet No.

15611-E
11243-E

RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES
(Continued)

- B. In circumstances other than those covered by A above, PG&E will replace its existing overhead electric facilities with underground electric facilities along public streets and roads or other locations mutually agreed upon when requested by an applicant or applicants when all of the following conditions are met:
1. a. All property owners served from the overhead facilities to be removed first agree in writing to have the wiring changes made on their premises so that service may be furnished from the underground distribution system in accordance with PG&E's rules and that PG&E may discontinue its overhead service upon completion of the underground facilities; or
 - b. Suitable legislation is in effect requiring such necessary wiring changes to be made and authorizing PG&E to discontinue its overhead service.
 2. The applicant has:
 - a. Furnished and installed the pads and vaults for transformers and associated equipment, conduits, ducts, boxes, pole bases and performed other work related to structures and substructures including breaking of pavement, trenching, backfilling, and repaving required in connection with the installation of the underground system, all in accordance with PG&E's specifications, or, in lieu thereof, paid PG&E to do so;
 - b. Transferred ownership of such facilities, in good condition, to PG&E; and
 - c. Paid a nonrefundable sum equal to the excess, if any, of the estimated costs, of completing the underground system and building a new equivalent overhead system. (T)
 3. The area to be undergrounded includes both sides of a street for at least one block or 600 feet, whichever is the lesser, and all existing overhead communication and electric distribution facilities within the area will be removed.

(Continued)

Advice Letter No. 1765-E
Decision No. 87-12-098

Issued by
Thomas E. Bottorff
Vice President
Rates & Account Services

Date Filed May 11, 1998
Effective July 1, 1998
Resolution No. _____

28862



Pacific Gas and Electric Company
San Francisco, California

Cancelling

Revised
Revised

Cal. P.U.C. Sheet No.
Cal. P.U.C. Sheet No.

11244-E
6229-E

RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES
(Continued)

- C. In circumstances other than those covered by A or B above, when mutually agreed upon by PG&E and an applicant, overhead electric facilities may be replaced with underground electric facilities, provided the applicant requesting the change pays, in advance, a nonrefundable sum equal to the estimated cost of the underground facilities less the estimated net salvage value and depreciation of the replaced overhead facilities. Underground services will be installed and maintained as provided in PG&E's rules applicable thereto. (L)
- D. The term "underground electric system" means an electric system with all wires installed underground, except those wires in surface mounted equipment enclosures. (L)

Advice Letter No. 1300-E
Decision No. 80-05-032

Issued by
Gordon R. Smith
Vice President
Finance and Rates

Date Filed June 7, 1990
Effective July 17, 1990
Resolution No. _____

22114

Bankruptcy Claims - Exhibit C
Tariff Rule 20-B Refunds - Pre-Petition
In Alphabetical Order by Customer Name

Item No.	Customer Name	Order No.	Payment Amount	Interest	Amount Refunded	Date Payment Processed
1	AKF Development/LCC	7017187	\$10,941.00	\$1,827.42	\$12,768.42	04/10/99
2	AKF Development/LCC	30139931	\$10,442.00	\$511.32	\$10,953.32	02/08/01
3	Almaden Lake Village Associates	1001539	\$7,467.00	\$1,631.35	\$9,098.35	06/01/98
4	Award Homes Inc.	7013732	\$1,897.00	\$478.81	\$2,375.81	12/03/97
5	Award Homes Inc.	6060603	\$5,513.00	\$817.87	\$6,330.87	08/19/99
6	B & K Buellton Homes	30118238	\$8,133.00	\$789.78	\$8,922.78	12/01/00
7	Black Oak Estates, Inc.	30098688	\$378.00	\$40.20	\$418.20	04/24/00
8	Black Point Partnership, LP	30120560	\$11,339.00	\$748.07	\$12,087.07	11/03/00
9	Blackridge Southport LLC	30026625	\$22,394.00	\$3,428.90	\$25,822.90	07/09/99
10	Blackridge Southport LLC	30104510	\$10,071.00	\$1,288.57	\$11,359.57	12/01/99
11	Blackridge Southport LLC	30151408	\$15,657.00	\$1,122.92	\$16,779.92	10/11/00
12	BPG Russel Ranch, LLC	30031795	\$17,022.00	\$2,525.25	\$19,547.25	08/23/99
13	BPP / Pleasant Hill, L.P.	6012251	\$7,425.99	\$1,240.08	\$8,666.07	04/07/99
14	Braddock & Logan	30049372	\$8,791.00	\$732.91	\$9,523.91	08/30/00
15	Braddock & Logan Group II	6000765	\$5,689.00	\$1,772.83	\$7,461.83	02/20/97
16	Brentwood, City of	A172358	\$11,773.00	\$3,530.16	\$15,303.16	04/16/97
17	Brentwood, City of	A168791	\$2,153.00	\$619.51	\$2,772.51	06/10/97
18	Brentwood, City of	6019144	\$6,114.00	\$964.39	\$7,078.39	06/08/99
19	Bridge Housing Corp.	6006076	\$20,526.00	\$4,257.57	\$24,783.57	08/07/98
20	Bright Development	6003372	\$6,009.00	\$1,620.94	\$7,629.94	09/22/97
21	Brookfield Homes Bay Area, Inc.	30099388	\$12,794.00	\$1,289.83	\$14,083.83	05/19/00
22	Buck Center For Research In Aging, Inc.	30020546	\$7,749.00	\$2,136.05	\$9,885.05	08/21/97
23	Cal Westgate Ranch LLC	30126317	\$2,601.00	\$290.59	\$2,891.59	03/13/00
24	California Sun - Brentwood, LLC	30093364	\$14,211.00	\$855.79	\$15,066.79	12/22/00
25	Calpine Corporation	30106790	\$37,168.00	\$3,319.19	\$40,487.19	07/03/00
26	CalProp Corporation	1002499	\$798.00	\$129.57	\$927.57	05/12/99
27	Canyon / Cahan Clovis LLC	30148947	\$24,632.00	\$1,483.35	\$26,115.35	12/05/00
28	Caster Group	30009240	\$6,753.00	\$1,127.89	\$7,880.89	04/27/99
29	CBM Group	30038713	\$1,934.00	\$350.52	\$2,284.52	01/07/99
30	Centex Homes	30094804	\$11,041.00	\$1,113.11	\$12,154.11	05/25/00
31	Centex Homes, A Gen Ptnshp	30103228	\$12,119.00	\$1,082.28	\$13,201.28	07/12/00
32	Central Pacific Builders	6000770	\$5,934.00	\$1,992.03	\$7,926.03	10/22/96
33	Central Pacific Builders	30121758	\$2,442.00	\$259.63	\$2,701.63	04/25/00
34	Central Pacific Builders	30160227	\$5,708.00	\$311.16	\$6,019.16	01/11/01
35	Central Pacific Builders (the Springs II)	1085521	\$361.00	\$153.32	\$514.32	08/23/95
36	Chanteclair Evergreen 82 Partners	6003882	\$29,781.00	\$4,559.96	\$34,340.96	07/22/99
37	Citation Homes	6003532	\$6,126.00	\$1,616.64	\$7,742.64	10/17/97
38	Citation Homes	30058541	\$5,698.00	\$729.04	\$6,427.04	12/06/99
39	Citation Northern	6001408	\$28,919.00	\$7,971.44	\$36,890.44	08/27/97
40	Clovis Unified School Dist.	30061690	\$8,331.00	\$1,469.05	\$9,800.05	02/09/99
41	Clovis Unified School Dist.	30065418	\$7,353.00	\$1,055.03	\$8,408.03	09/23/99
42	Clovis, City of	30064197	\$1,972.00	\$263.19	\$2,235.19	11/04/99
43	Clovis, City of	30064652	\$16,135.00	\$2,064.45	\$18,199.45	12/14/99
44	Clovis, City of	30145574	\$41,010.00	\$2,941.27	\$43,951.27	10/06/00
45	Coast Union School Dist.	6015729	\$8,538.00	\$1,632.47	\$10,170.47	11/16/98
46	COD Builders	30150463	\$19,021.00	\$1,036.82	\$20,057.82	01/18/01
47	Coker Elsworth Inc.	6027810	\$1,452.00	\$154.40	\$1,606.40	04/04/00
48	Copperhill Development	30058380	\$4,611.00	\$706.00	\$5,317.00	07/26/99
49	Cornerstone Enterprises, Inc.	30066620	\$2,552.00	\$243.04	\$2,795.04	06/15/00
50	Costco Wholesale Corp	6033938	\$10,708.00	\$1,079.50	\$11,787.50	05/25/00
51	Country Club Development LLC	6034783	\$29,000.00	\$2,417.76	\$31,417.76	08/24/00
52	Covington Family Partnership	6030308	\$4,791.00	\$535.32	\$5,326.32	03/31/00
53	Coyote Estates 1999 LP	30097660	\$12,732.00	\$1,422.57	\$14,154.57	03/04/00
54	Craftsman's Collection @ Sierra Ranch LLC	6023981	\$5,461.00	\$669.02	\$6,130.02	01/03/00
55	Creekside Ranch, LLC	6001748	\$16,733.00	\$5,115.28	\$21,848.28	03/21/97
56	Cypress Ridge, A Calif LTD Ptnshp	6013086	\$6,674.00	\$1,347.71	\$8,021.71	09/14/98
57	Dan Silverstein	30100575	\$5,258.00	\$346.88	\$5,604.88	11/14/00
58	Davis, City of	30029900	\$17,045.00	\$3,348.84	\$20,393.84	10/21/98
59	Del Webb, a Calif Corp.	30120142	\$7,986.00	\$435.31	\$8,421.31	01/20/01
60	DeSilva Group	7003289	\$9,076.00	\$2,556.31	\$11,632.31	07/14/97

Bankruptcy Claims - Exhibit C
Tariff Rule 20-B Refunds - Pre-Petition
In Alphabetical Order by Customer Name

Item No.	Customer Name	Order No.	Payment Amount	Interest	Amount Refunded	Date Payment Processed
61	Donahue Schriber Realty Grp	30055572	\$18,292.00	\$2,624.57	\$20,916.57	09/01/99
62	East Ranch Company	30118274	\$33,459.00	\$2,593.64	\$36,052.64	09/01/00
63	Emeryville, City of	6016903	\$6,553.00	\$1,003.49	\$7,556.49	07/15/99
64	Emeryville, City of	30022119	\$21,904.00	\$2,447.38	\$24,351.38	03/22/00
65	Emeryville, City of	30010040	\$42,327.00	\$4,729.29	\$47,056.29	03/22/00
66	Enchantment Homes Inc.	30108758	\$6,383.00	\$713.18	\$7,096.18	03/17/00
67	Equity Community Builders	30132743	\$718.00	\$47.37	\$765.37	11/04/00
68	Evergreen School District	1002499	\$4,276.00	\$775.00	\$5,051.00	01/29/99
69	Fairfield, City of	7030287	\$20,808.00	\$1,858.21	\$22,666.21	07/01/00
70	Fresno Metro Flood Control Dist.	30064194	\$4,742.00	\$580.99	\$5,322.99	01/20/00
71	Fresno, City of	30126755	\$6,263.00	\$522.18	\$6,785.18	08/21/00
72	G&W / Copley Redwood Business Park LP	30015810	\$6,554.00	\$1,253.13	\$7,807.13	11/06/98
73	GB Crescent Hills, Inc.	30158636	\$16,669.00	\$662.38	\$17,331.38	04/03/01
74	General Properties	30008699	\$5,679.00	\$664.70	\$6,343.70	02/02/00
75	George W. Lucas Living Trust %Tong & Fong	7001178	\$3,038.00	\$1,075.70	\$4,113.70	07/15/96
76	Granville Homes Inc.	30066611	\$40,362.00	\$5,387.34	\$45,749.34	11/19/99
77	Greystone Homes	30088593	\$4,051.00	\$290.53	\$4,341.53	10/20/00
78	Greystone Homes	30113018	\$2,427.00	\$146.15	\$2,573.15	12/08/00
79	Hoffmann Land Development Co.	30143284	\$14,837.00	\$1,064.12	\$15,901.12	10/02/00
80	Home Depot Inc.	30055635	\$11,152.00	\$1,600.10	\$12,752.10	09/22/99
81	Home Depot Inc	30110016	\$6,735.00	\$678.98	\$7,413.98	05/19/00
82	Irvine Company	30096840	\$31,509.00	\$2,078.74	\$33,587.74	11/03/00
83	James Wray	6003159	\$249.00	\$73.18	\$322.18	05/10/97
84	Jay H. Ku	30033728	\$7,667.00	\$1,465.91	\$9,132.91	11/18/98
85	Karlmont Development	30103861	\$5,561.00	\$560.63	\$6,121.63	05/23/00
86	Kaufman & Broad	30042324	\$11,787.00	\$1,859.25	\$13,646.25	06/11/99
87	Kaufman & Broad	30079286	\$16,669.00	\$2,042.19	\$18,711.19	01/18/00
88	Kaufman & Broad	30089509	\$12,574.00	\$1,197.54	\$13,771.54	06/13/00
89	Koll Dublin Corp. Center LP	30057662	\$21,552.00	\$1,670.64	\$23,222.64	09/29/00
90	"L" Builders, LLC	7013088	\$13,573.00	\$2,595.12	\$16,168.12	11/03/98
91	La Dante' Rose LTD	30062947	\$7,907.00	\$1,394.29	\$9,301.29	02/01/99
92	La Mark Construction Co.	30136853	\$8,467.00	\$656.34	\$9,123.34	09/01/00
93	Lakemont Homes Inc.	30030408	\$28,583.00	\$4,508.65	\$33,091.65	06/30/99
94	Larwin Construction Company	30077446	\$16,063.00	\$2,055.26	\$18,118.26	12/10/99
95	Larwin Construction Company	30070932	\$15,570.00	\$1,027.22	\$16,597.22	11/30/00
96	Legacy Partners	30006645	\$35,664.00	\$4,563.15	\$40,227.15	12/08/99
97	Legacy Partners	30143337	\$45,609.00	\$2,746.65	\$48,355.65	12/08/00
98	Leo Wilson Inc.	30063835	\$8,462.00	\$1,413.31	\$9,875.31	04/15/99
99	Leo Wilson Inc.	30087814	\$5,038.00	\$507.89	\$5,545.89	05/22/00
100	Leo Wilson Inc.	30096996	\$8,720.00	\$575.28	\$9,295.28	11/09/00
101	Lions Gate Limited Partnership	7020525	\$8,412.00	\$1,122.79	\$9,534.79	11/08/99
102	M.J. Brock & Sons / Ryland Homes	30073071	\$7,292.00	\$1,150.22	\$8,442.22	06/09/99
103	M.J. Brock & Sons / Ryland Homes	30058218	\$13,569.00	\$1,442.66	\$15,011.66	04/25/00
104	Mardell LLC	7005669	\$22,659.00	\$5,979.66	\$28,638.66	10/01/97
105	Mardell LLC	30020854	\$7,107.00	\$1,513.36	\$8,620.36	07/22/98
106	Marian Medical Center	30066444	\$4,274.00	\$886.57	\$5,160.57	08/03/98
107	Mark Luzaich	30016286	\$3,029.00	\$611.65	\$3,640.65	09/23/98
108	Matthews Homes	6014261	\$7,994.00	\$1,146.98	\$9,140.98	09/20/99
109	McPhail's Inc., A CA Corp	30097865	\$8,197.00	\$826.38	\$9,023.38	05/23/00
110	Meritage Homes of Northern CA	30038550	\$12,269.00	\$1,935.30	\$14,204.30	06/01/99
111	Mission Peak Company	7013533	\$12,616.00	\$2,547.59	\$15,163.59	09/12/98
112	MLB Homes	30052855	\$5,649.00	\$782.38	\$6,431.38	10/01/99
113	Morgan Meadows, LLC	30110238	\$30,178.00	\$2,339.31	\$32,517.31	09/13/00
114	MP Oroyson	30031023	\$9,252.00	\$1,416.63	\$10,668.63	07/07/99
115	Northside Christian Church	6027478	\$6,084.00	\$712.12	\$6,796.12	02/15/00
116	Orrin Thiessen	30018063	\$1,863.00	\$396.70	\$2,259.70	07/21/98
117	Pacific Shores Development, LLC	30156937	\$47,562.00	\$3,686.87	\$51,248.87	09/15/00
118	Pallios Properties	30147427	\$7,894.00	\$566.17	\$8,460.17	10/09/00
119	Peter Anderson	30016724	\$1,348.00	\$347.96	\$1,695.96	11/03/97
120	Piedmont 237 LLC	30084857	\$9,280.00	\$986.65	\$10,266.65	04/12/00

Bankruptcy Claims - Exhibit C
Tariff Rule 20-B Refunds - Pre-Petition
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121	Pinn Bros.	30086770	\$2,059.00	\$343.90	\$2,402.90	04/22/99
122	Pittsburg, City of	30096626	\$19,536.00	\$2,182.78	\$21,718.78	03/13/00
123	Pixar Animation Studio	30040980	\$5,411.00	\$853.53	\$6,264.53	06/15/99
124	Ponderosa Homes	30052060	\$65,401.00	\$7,655.16	\$73,056.16	02/02/00
125	Porter Homes	7007618	\$19,416.00	\$4,027.34	\$23,443.34	08/11/98
126	Presley Homes, Inc.	30006605	\$8,384.00	\$1,693.05	\$10,077.05	09/03/98
127	Principal Dev.	30123967	\$20,387.00	\$1,820.64	\$22,207.64	07/11/00
128	Pringle Construction Co Inc , A California Corpor	1569706	\$2,528.00	\$895.14	\$3,423.14	07/12/96
129	Pulte Homes Corp	30023683	\$1,736.00	\$306.10	\$2,042.10	02/16/99
130	Pulte Homes Corp	30079412	\$51,261.00	\$6,558.81	\$57,819.81	12/15/99
131	Pulte Homes Corp	30090369	\$7,873.00	\$921.51	\$8,794.51	02/25/00
132	Rancho San Marcos Golf Course	6002850	\$4,700.00	\$1,323.76	\$6,023.76	07/24/97
133	Ranchwood Homes	30069647	\$3,637.00	\$539.57	\$4,176.57	08/27/99
134	Regency Bank California Bank & Trust (Blackhor	1460781	\$8,199.00	\$3,906.65	\$12,105.65	01/11/95
135	RGCLPO Development Co., LLC	1002499	\$798.00	\$122.19	\$920.19	07/23/99
136	Richmond, City of	A411341	\$44,049.00	\$12,944.18	\$56,993.18	05/16/97
137	Robert Degrasse	6024674	\$10,044.00	\$1,122.23	\$11,166.23	03/15/00
138	Rock Avenue, LLC	7017358	\$9,830.00	\$1,879.49	\$11,709.49	11/30/98
139	Ryder Homes	6019156	\$21,923.00	\$2,926.19	\$24,849.19	11/30/99
140	Ryland Homes, Northern California	7012674	\$13,163.00	\$2,451.15	\$15,614.15	12/09/98
141	Ryland Homes, Northern California	30076360	\$12,177.00	\$1,747.16	\$13,924.16	09/03/99
142	San Jose, City of	6009513	\$78,159.80	\$15,783.13	\$93,942.93	09/29/98
143	San Jose, City of	30072173	\$37,020.00	\$5,839.50	\$42,859.50	06/08/99
144	San Ramon, City of	30057062	\$58,458.00	\$6,531.61	\$64,989.61	03/15/00
145	Santa Clara Dev.	30090760	\$3,460.00	\$580.51	\$6,040.51	04/06/00
146	Santa Maria, City of	30061450	\$23,895.00	\$4,213.50	\$28,108.50	02/18/99
147	SCS dba Citation Homes	6011772	\$5,840.00	\$1,211.35	\$7,051.35	08/12/98
148	Seaport Plaza Associates, LLC	30053818	\$4,236.00	\$450.36	\$4,686.36	04/12/00
149	Sebastiani Winery	30018489	\$6,517.00	\$1,316.00	\$7,833.00	09/29/98
150	Seeno Homes	6003211	\$2,045.00	\$649.56	\$2,694.56	01/01/97
151	Serrano Partners	30041723	\$20,272.00	\$3,674.05	\$23,946.05	01/13/99
152	Shea Homes	30008589	\$34,875.00	\$5,824.78	\$40,699.78	04/22/99
153	Shea Homes	30057728	\$21,937.00	\$3,038.30	\$24,975.30	10/07/99
154	Shea Homes	30089566	\$24,897.00	\$1,642.54	\$26,539.54	11/18/00
155	Shea Homes	30089566	\$174.00	\$9.49	\$183.49	01/23/01
156	Signature Properties	1002229	\$17,860.00	\$5,248.31	\$23,108.31	05/01/97
157	Sikh-Gurdwara San Jose	6029554	\$10,680.00	\$471.96	\$11,151.96	03/16/01
158	Sonoma LLC	30021616	\$24,095.00	\$3,574.51	\$27,669.51	08/31/99
159	South County Housing Inc.	6014353	\$10,051.00	\$1,678.75	\$11,729.75	04/28/99
160	South County Homes II	7011196	\$11,682.00	\$2,487.52	\$14,169.52	07/23/98
161	South San Francisco, City of	30012024	\$34,515.00	\$5,120.35	\$39,635.35	08/13/99
162	Spalding G. Wathen	30125196	\$14,638.00	\$1,134.66	\$15,772.66	09/21/00
163	Spanos Park Development	6011599	\$8,018.00	\$1,619.13	\$9,637.13	09/15/98
164	Spencer Enterprises, Inc.	30063154	\$1,788.00	\$290.27	\$2,078.27	05/26/99
165	Standard Pacific	7009954	\$19,902.00	\$3,706.15	\$23,608.15	12/15/98
166	Standard Pacific	30008271	\$6,864.00	\$950.65	\$7,814.65	10/18/99
167	Standard Pacific of Northern Calif, Inc.	30093422	\$4,265.00	\$380.88	\$4,645.88	07/15/00
168	Strausbaugh Development	6008123	\$12,159.00	\$2,522.10	\$14,681.10	08/12/98
169	Suisun City Redevelopment Agency, City of	30024049	\$19,657.00	\$4,513.10	\$24,170.10	04/01/98
170	Summerhill Aborne LLC	30165973	\$20,015.00	\$884.47	\$20,899.47	03/23/01
171	Summerhill Construction	6001016	\$4,826.00	\$1,475.31	\$6,301.31	03/04/97
172	Summerhill Huntwood	30058568	\$3,979.00	\$551.09	\$4,530.09	10/25/99
173	SummerHill Rose Ltd.	30149833	\$25,200.00	\$1,113.60	\$26,313.60	03/21/01
174	Summerhill Stone Valley Oaks	30128415	\$16,275.00	\$796.95	\$17,071.95	02/07/01
175	SunCal of Northern Cal	30068736	\$15,617.00	\$1,487.36	\$17,104.36	06/12/00
176	Swenerton & Walberg Co.	30054222	\$3,552.00	\$560.29	\$4,112.29	06/25/99
177	Sycamore Funding Dev. Co.	30042208	\$17,852.00	\$2,561.45	\$20,413.45	09/01/99
178	Tahkar Development	1111228	\$9,276.00	\$4,209.31	\$13,485.31	04/04/95
179	Talisman Realty Group	30096736	\$5,612.00	\$627.04	\$6,239.04	03/13/00
180	TBI-Mission West LLC	6038862	\$8,332.00	\$501.78	\$8,833.78	12/01/00

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Tariff Rule 20-B Refunds - Pre-Petition
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181	The Arbors-San Luis Obispo, L.P.	30089404	\$17,387.00	\$2,579.37	\$19,966.37	08/03/99
182	The Austin Company	30129298	\$13,552.00	\$738.72	\$14,290.72	01/02/01
183	The Mark Pringle Co	30044238	\$1,250.00	\$197.16	\$1,447.16	06/10/99
184	The Oaks Senior Apts LLC	30160942	\$5,068.00	\$276.22	\$5,344.22	01/25/01
185	Thomason Development Co.	30101107	\$10,905.00	\$1,099.38	\$12,004.38	05/11/00
186	Tim Lewis Construction	30203000	\$2,404.00	\$131.06	\$2,535.06	01/23/01
187	Toll Bros., Inc.	30031964	\$30,527.00	\$4,380.08	\$34,907.08	09/17/99
188	Toll Bros., Inc.	30008113	\$7,507.00	\$878.71	\$8,385.71	02/02/00
189	Toll Land XIX, Inc.	30020826	\$10,358.00	\$1,486.20	\$11,844.20	09/10/99
190	Trend Homes, Inc. A CA Corp	30087953	\$30,441.00	\$4,063.17	\$34,504.17	11/18/99
191	Tri Valley Tech.	30139117	\$5,791.00	\$382.02	\$6,173.02	11/13/00
192	U.S. Homes Corp	30028323	\$5,495.00	\$761.06	\$6,256.06	10/07/99
193	United Christian Schools	30060229	\$7,091.00	\$1,085.74	\$8,176.74	07/27/99
194	University Circle Investors, LLC	39144232	\$61,225.00	\$3,337.34	\$64,562.34	01/05/01
195	US Dept of the Interior National Park Service	7001474	\$51,438.00	\$13,278.87	\$64,716.87	11/21/97
196	US Dept of the Interior National Park Service	30016630	\$11,833.00	\$1,192.96	\$13,025.96	05/04/00
197	US Dept of the Interior National Park Service	30089492	\$12,492.00	\$824.16	\$13,316.16	11/06/00
198	Vacaville Recreation Corp	6014103	\$7,541.00	\$1,441.84	\$8,982.84	11/17/98
199	Vacaville, City of	7027121	\$11,906.00	\$2,157.80	\$14,063.80	01/01/99
200	Vacaville, City of	30048999	\$24,458.00	\$3,744.92	\$28,202.92	07/06/99
201	Vestar-Athens YCP II, Half Moon Bay	30092424	\$13,385.00	\$1,639.85	\$15,024.85	01/05/00
202	Village Glen Homes, LLC	30132138	\$1,967.00	\$129.79	\$2,096.79	11/28/00
203	Walnut Creek, City of	30108844	\$7,076.00	\$713.38	\$7,789.38	05/10/00
204	Warmington Homes	30009416	\$2,430.00	\$360.54	\$2,790.54	08/09/99
205	Wathen-Castanos, Inc. A CA Corp.	6021145	\$9,278.00	\$1,331.19	\$10,609.19	09/17/99
206	Wathen-Kesterson Partnership	6014248	\$11,257.00	\$1,880.11	\$13,137.11	04/05/99
207	Wayne LeBaron	30038354	\$2,818.00	\$615.67	\$3,433.67	06/10/98
208	West Coast Home Builders	6013917	\$29,920.00	\$5,275.98	\$35,195.98	02/23/99
209	West Coast Home Builders	6026589	\$16,981.00	\$1,897.32	\$18,878.32	03/09/00
210	West Sacramento, City of	A166953	\$13,662.00	\$4,339.82	\$18,001.82	01/01/97
211	West Sacramento, City of	30023785	\$28,099.00	\$6,928.77	\$35,027.77	01/01/98
212	West Sacramento, City of	30030018	\$3,782.00	\$685.47	\$4,467.47	01/26/99
213	Westcal Inc.	6018760	\$14,584.00	\$1,130.50	\$15,714.50	09/03/00
214	Westcal Inc.	30156739	\$3,876.00	\$156.80	\$4,032.80	01/12/01
215	Western Pacific Housing	30041693	\$9,091.00	\$1,433.99	\$10,524.99	06/11/99
216	Western Pacific Housing	30034475	\$5,865.00	\$750.43	\$6,615.43	12/21/99
217	Western Pacific Housing	30157977	\$13,400.00	\$592.15	\$13,992.15	03/22/01
218	Western Pacific Housing	30129840	\$26,186.00	\$1,040.56	\$27,226.56	04/02/01
219	Western Pacific Housing	30084560	\$859.00	\$127.42	\$986.42	08/09/99
220	Western Pacific Housing	30117350	\$4,421.00	\$493.97	\$4,914.97	03/13/00
221	Weyrich Development Company	30161393	\$10,587.00	\$577.10	\$11,164.10	01/09/01
222	William Lyon Homes Inc.	30134656	\$22,092.00	\$1,204.24	\$23,296.24	01/12/01
223	William Lyon Homes Inc.	30168414	\$14,371.00	\$635.07	\$15,006.07	03/26/01
224	Willow Glen Partners	30020740	\$6,136.00	\$1,306.60	\$7,442.60	07/07/98
225	Willow Glen Partners	30056803	\$4,643.00	\$643.05	\$5,286.05	10/04/99
226	WIX / NSJ Real Estate Ltd.	7013682	\$13,821.00	\$2,504.88	\$16,325.88	01/27/99
227	Woodmark Apartments LLC	6019908	\$4,131.00	\$612.83	\$4,743.83	08/13/99
228	Yountville, Town of	7005060	\$10,299.00	\$2,193.04	\$12,492.04	07/20/98
229	Yuba City, City of	30122864	\$8,253.00	\$832.05	\$9,085.05	05/05/00
230	Yuba City, City of	30189364	\$8,706.00	\$877.71	\$9,583.71	05/05/00
Total Amount:			\$3,081,576.79	\$428,067.34	\$3,509,644.13	